

EXHIBIT 3



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Corporate governance

Unilever recognises the importance of good corporate governance and behaviour, and is committed to achieving the highest standards within its policies.

- Introduction to our corporate governance
- Our recent developments in corporate governance
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Introduction to our corporate governance

Unilever constantly keeps its corporate governance arrangements under review. NV and PLC are subject to different corporate governance requirements and best practice codes, the most relevant being those in the Netherlands, the United Kingdom and the United States. It is Unilever's practice to comply, where practicable, with the highest level of these codes, and respond to developments appropriately.

NV and PLC together with their group companies operate effectively as a single economic entity. This is achieved by a series of agreements between NV and PLC (the foundation agreements, see below), together with special provisions in the articles of association of NV and PLC. NV and PLC have the same directors, adapt the same accounting principles, and their shareholders receive dividends on an equalised basis.

A comprehensive description of Unilever's corporate governance arrangements including further details on the structure of the Unilever Group are set out in the document 'The Governance of Unilever'.

Related links

[The Governance of Unilever \(645 KB\)](#)

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Our recent developments in corporate governance

Unilever has always aspired to high standards of corporate governance and, in response to the latest developments in Europe and the USA, we have introduced significant improvements in our arrangements with effect from May 2004.

Developments in 2004

In 2004 the NV and PLC shareholders adopted proposals to create a one-tier board with a majority of independent non-executive directors.

Developments in 2005

In 2005 a separate non-executive chairman and group chief executive were appointed. In 2009 it was also announced that we would undertake a thorough review of our corporate structure to see if any change should be made. The review team was led by the chairman, Antony Burgmans, and included non-executive directors David Simon and Jeroen van der Veer. On 19 December 2005, the conclusions of the structure review were announced. The boards decided that Unilever would retain its current structure with some important changes.

Developments in 2006

At the 2006 AGMs in May the shareholders agreed to the proposed resolutions relating to the changes in our structure that the boards had recommended. These were:

- to adapt Unilever's constitutional arrangements to allow greater flexibility to allocate assets between both parent companies
- to simplify the relationship between our NV and PLC shares by establishing a one-to-one equivalence in their economic interest in the Unilever Group; this was achieved by a split of the NV ordinary shares (3 for 1) and a consolidation of the PLC shares (9 for 20 basis)
- to allow shareholders the right to nominate candidates to the Boards, taking into account the need to ensure the unity of management

Developments in 2007

At the 2007 AGMs the shareholders appointed Mr Michael Treschow as Non-Executive Director of Unilever, and is Unilever's first independent non-Executive Chairman.

The shareholders of Unilever NV also approved to implement certain provisions made available by the new Act on Electronic Means of Communication (Wet elektronische communicatiemiddelen) which came into effect on 1 January 2007. Pursuant to this Act, the articles of association of a Dutch company may allow shareholders to use electronic means of communication to monitor the proceedings at a general meeting of shareholders and to participate in the voting at a general meeting without being physically present. The Board of Directors is authorised to decide upon the use of these electronic means of communication.

Further details on these developments in 2007 are set out in the notice of the 2007 annual general meetings of NV and PLC.

Related links

[PLC Chairman's Letter & Notice of Meeting \(336 KB\)](#)

[Chairman's Letter & Notice of Meeting – English \(307 KB\)](#)

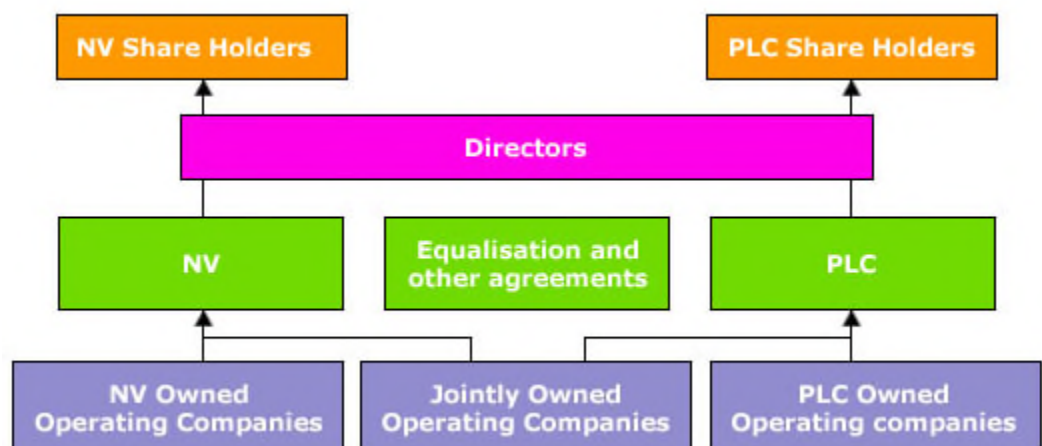
[Chairman's Letter & Notice of Meeting – Dutch \(308 KB\)](#)

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Unilever legal structure

Unilever NV and Unilever PLC have different shareholder constituencies and shareholders cannot convert or exchange the shares of one company for shares of the other. NV is listed in Amsterdam and New York. PLC is listed in London and New York.

Further details on Unilever's shares and listings are set out under 'Shareholder information'.



Related links

[Further details on Unilever's shares & listings](#)

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The foundation agreements

The Unilever Group is created and maintained by a series of agreements between the parent companies of NV & PLC, together with special provisions in their respective articles of association, and are together known as the foundation agreements. These agreements enable Unilever to achieve unity of management, operations, shareholders' rights, purpose and mission.

The equalisation agreement

The equalisation agreement regulates the mutual rights of the shareholders of NV and PLC. Its objective is to ensure that the position of these shareholders is, as far as possible, the same as if they held shares in a single company.

The deed of mutual covenants

Unity of operations is facilitated by the deed of mutual covenants. It is an agreement between NV and PLC which provides, amongst other things, for the allocation of assets within the Unilever Group.

The agreement for mutual guarantees of borrowing

The agreement for mutual guarantees of borrowing between also assists in the creation of the single operating platform. Under the agreement NV and PLC each, will, if asked by the other, guarantee the borrowings of the other. The two companies can also agree jointly to guarantee the borrowings of their subsidiaries. These arrangements are used, as a matter of financial policy, for certain significant public borrowings. They enable lenders to rely on our combined financial strength.

Further details on the foundation agreements are set out in the governance of Unilever.

Related links

[Equalisation Agreement \(267 KB\)](#)

[Deed of Mutual Covenants \(232 KB\)](#)

[Agreement for Mutual Guarantees of Borrowing \(227 KB\)](#)

[Articles of Association 2007 NV - Dutch \(370 KB\)](#)

[Articles of Association 2007 NV - English \(374 KB\)](#)

[PLC Memorandum & Articles of Association \(862 KB\)](#)

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Unilever policies

Our policies cover operational or functional matters, and in turn govern how we run our business.

As set out within the 'Governance of Unilever', included within the business of the board is the endorsement or amendment of certain corporate policies which includes Unilever's code of business principles, code of ethics for senior financial officers, and Unilever's share dealing code.

The code of business principles sets out the standards of behaviour we require from all of our employees. Furthermore, our code of ethics, that applies to the senior executive, financial and accounting officers, comprises the standards prescribed by the US Securities and Exchange Commission (SEC). The code of ethics provides an extract of the relevant provisions of Unilever's code of business principles and the more detailed rules of conduct that implement it.

The share dealing code applies to persons who are executive directors and members of the executive team of NV and PLC and will apply whilst any such person holds the relevant office or is employed by the Unilever Group and for six months thereafter. It also applies to non-executive directors and persons who are notified from time to time that their name is on the Unilever insider list.

Related links

[Unilever's Code of Business Principles \(163 KB\)](#)
[Code of Business Principles Hotline \(51 KB\)](#)
[Code of Ethics for Senior Financial Officers \(43 KB\)](#)
[Unilever's Share Dealing Code \(103 KB\)](#)
[Purpose & principles](#)

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The boards

To ensure unity of governance and management, the boards of NV and PLC comprise the same directors, and the chairman and all of the directors are directors of both NV and PLC. The boards are one-tier boards, comprising executive directors and, in a majority, non-executive directors.

Further details of how our boards effectively operate as one board, govern themselves and delegate their authorities are set out in the governance of Unilever.

Appointment of directors

In order to try to ensure that NV and PLC have the same directors, the articles of association of NV and PLC contain provisions which ensure that both NV and PLC shareholders are presented with the same candidates for election as directors. Shareholders have the right to nominate candidates to the boards of Unilever taking into account the need to ensure unity of management.

Further details of the procedure to appoint directors are set out in the document 'Appointment procedure for NV and PLC directors'.

Details of the executive directors service contract are set out in the document 'Executive directors service contracts table'

The profiles of our non-executive directors, their retirement schedules, their terms of engagement and fee structures are set out in the attached documents.

Further details of the role and responsibilities of the chairman, the group chief executive and the executive and non-executive directors are set out in the governance of Unilever.

Related links

[Appointment procedure for NV & PLC directors \(18 KB\)](#)
[Executive Directors service contracts table \(15 KB\)](#)
[Profile of Non-Executive Directors \(319 KB\)](#)
[Non-Executive Directors Retirement Schedule \(39 KB\)](#)
[Terms of Appointment of Non-Executive Directors \(332 KB\)](#)
[Fee Structure for Non-Executive Directors \(37 KB\)](#)

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Board committees

The boards have established a number of board committees. Further details on these committees are set out in the governance of Unilever.

Audit committee

The audit committee comprises three or more independent non-executive directors, and assists the boards in fulfilling their oversight responsibilities in respect of the integrity of Unilever's financial statements; risk management and internal control arrangements; compliance with legal and regulatory requirements; the performance, qualifications and independence of the external auditors; and the performance of the internal audit function. The committee is also directly responsible, subject to local laws regarding shareholder approval, for the nomination, compensation and oversight of the external auditors.

The audit committee is fully compliant with the rules regarding audit committees that are applicable in the Netherlands, UK and US.

Nomination committee

The nomination committee comprises three independent non-executive directors and the chairman. The committee recommends to the boards candidates for the positions of director, and has responsibilities for succession planning and oversight of corporate governance matters.

Remuneration committee

The remuneration committee comprises three independent non-executive directors. The committee reviews the remuneration of the executive and non-executive directors, and the tier of management directly below the board, and also has responsibility for the executive share-based incentive plans.

Corporate responsibility & reputation committee

The corporate responsibility and reputation committee comprises at least three independent non-executive directors and the executive director who chairs the corporate responsibility council. The committee has responsibility for the oversight of Unilever's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.

Disclosure committee

The disclosure committee comprises the deputy chief financial officer, the joint secretaries and the group treasurer. The purpose of the committee is to help the boards ensure that financial and other information that ought to be disclosed publicly by Unilever is disclosed in a timely manner and that the information that is disclosed is complete and accurate.

Routine business committees

Routine business committees are set up to conduct routine business as and when the board considers that they are necessary, and administer certain matters previously agreed by our boards or by the Unilever executive. They comprise any two of the directors and certain senior executives and officers.

Related links

[Schedule of committee memberships \(178 KB\)](#)

[Audit Committee terms of reference \(22 KB\)](#)

[Nomination Committee terms of reference \(12 KB\)](#)

[Remuneration Committee terms of reference \(66 KB\)](#)

[Corporate Responsibility & Reputation Committee terms of reference \(67 KB\)](#)

[Disclosure Committee terms of reference \(15 KB\)](#)

[Routine Business Committees terms of reference \(74 KB\)](#)

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Corporate governance requirements & compliance

Unilever is subject to corporate governance requirements in the Netherlands, the UK and the US as a foreign private issuer, and our compliance with these requirements are detailed within our latest annual report and accounts (on pages 33 to 47 in the English version and pages 36 to 52 in the Dutch version).

Related links

[Annual report & accounts 2007 - English \(1.1 MB\)](#)

[Annual report & accounts 2007 - Dutch \(1029 KB\)](#)

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